#### CLASSIFICATION

SECRET SECRET

CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT CD NO.

COUNTRY

USSR; China - Manchuria

DATE OF

1950 - 1951 **INFORMATION** 

**SUBJECT** 

Economic - Industry

DATE DIST. /7 Apr 1951

HOW **PUBLISHED** 

Daily newspapers, semimonthly periodical

WHERE

PUBLISHED

Moscow: Shanghai

NO. OF PAGES 4

DATE

**PUBLISHED** 

14 Dec 1950 - 10 Feb 1951

SUPPLEMENT TO

LANGUAGE

Russian

REFORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Newspapers and periodical as indicated.

## MANCHURIAN INDUSTRY PROSPERS IN 1950

 $\sqrt{N}$ umbers in parentheses refer to appended sources.

In 1950, heavy industry showed the most noteworthy development in Manchuria. In September 1949, only 65 percent of all heavy industry enterprises were functioning; but within one year, all devastated plants and factories were back in working order.(1)

As a result, during each month of 1950, Manchurian industries showed a continuous rise in total production. This included growth in the number of enterprises and expansion in the mechanization of industry and productivity of labor. Thus the prescribed plan for the first quarter of 1950 was exceeded by 9.2 percent. By the end of the first 6 months of 1950, industrial production had already attained 85 percent of the total production for 1949.(2)

Over-all capital investment in industrial construction amounted to 40 percent of the budget of Manchuria. This was 3.6 percent above the proposed plan for 1950. Much of this investment total was used to purchase new equipment and machines. New homes were constructed for workers, as well as new buildings for factories and warehouses. The total area occupied by the new factory buildings and warehouses, either rebuilt or remodeled last year, amount to 870,000 square meters. The area occupied by living quarters, hospitals, schools, and other similar establishments amounted to 1,570,000 square meters. (3)

In Dairen and Port Arthur, 11 major plants fulfilled their production plan for 1950. The glassworks of the Far East Electric Company exceeded its plan by 40 percent. Production figures for these factories also attest to the large increase over the production levels of preceding years. For example, production at the cement works exceeded that of last year by 220 percent. Also, production at the electric lamp factory exceeded its previous year's output by 150 percent.(4)

			(	CLA	SSIFICATION	NC	SECRET	
STATE	(	रा	NAVY	X	HSRD		DISTRIBUTION	
ARMY	)	7	AIR	X	FBI			

-	•	n		T
ŀ	C	ĸ	Ĺ	۱

SECRET

50X1-HUM

The labor output increased as a result of improved working conditions and valuable suggestions by the workers themselves. In comparison with the previous year, the productivity of labor of factory workers increased 46.3 percent at the above-mentioned lamp factory and the cost of production was lowered by 23 percent. At the above-mentioned glass factory, the output increased by 57.5 percent, while cost of production decreased 7.8 percent. (4)

The total number of workers in Manchuria steadily increased in 1950. The influx of new workers began in 1949 when more than 240,000 workers were conscripted from the central regions of China. During the first 6 months of 1950, more than 700,000 workers and specialists arrived in Manchuria from other sections of China. (2)

Due to the great expansion in production, the living standard of workers in Manchuria was raised substantially. The purchasing power of the people grew 32 percent in villages and 20.5 percent in cities. Commodity prices on the whole remained rigid. Industrial output increased 100 percent, as compared with 1949 and the government plan was exceeded by 1.8 percent.(5)

The actual wages of workers increased during 1950 because of this increase in labor output and a subsequent stabilization of prices. The rise in consumer purchasing power in Manchuria is indicated by the sharp increase in the demand for cloth in the past 4 years. In 1947, 800,000 bolts of cloth were sold; in 1949, 3,200,000 bolts were sold; and in 1950, over 9 million bolts were sold.(2)

The rise in the living standard was reflected by the industrial speed-up occurring not only in state enterprises, but also in private enterprises and cooperatives. In state enterprises, production increased 178.8 percent, as compared with 1949, while sales were expanded by 112.4 percent.(5)

The cooperatives also showed substantial development. The number of purchasers was augmented by 127 percent. In retail trade, cooperatives expanded by 494 percent, thus exceeding the plan by 5.8 percent. The cooperative economy has become a very important aspect in the life of the people of Manchuria and is progressing rapidly.(5)

Private commercial businesses and trade firms also have developed considerably in 1950. The productivity of private concerns in Mukden increased by 232 percent in the third quarter of 1950, as compared with the first quarter of the same year. Commercial capital increased by 208 percent and industrial capital by 194 percent. The over-all turnover in trade increased by 126 percent.(5)

Manchurian transportation figures also reflect the sizeable increase in the productive capacity of labor. The freight plan for 1950 was fulfilled a month ahead of schedule. The over-all total of freight tonnage carried by state transportation, both over water and overland, increased by 175 percent. (5)

The Soviet Union has greatly influenced Manchurian industrial rehabilitation by supplying railroad tracks, high-precision equipment, and valuable technical materials. In addition, a number of specially trained Russian technical brigades arrived in Manchuria during 1950. In November, a brigade of Soviet lathe operators in Mukden demonstrated a high-speed method to Chinese operators, who were being trained and indoctrinated in the latest Soviet metal-cutting procedures.(6)

- 2 -

SECRET

**SEAULT** 

SECRET

SECRET

50X1-HUM

At the machine-tool construction factory No 4 in Mukden, lathe operators applied these Soviet methods of high-speed cutting of metals and increased production output 21.5 times over former levels. A Chinese lathe operator can now bore a steel gear in 4 inutes instead of 90, and the quality of his work is now first class instead of second.(6)

The most significant contribution of the Soviet Union to the redevelopment of Manchurian industry was the wholesale transfer of all formerly Soviet-held commercial and industrial enterprises in Manchuria.(7) The following is a list of these enterprises and properties which were handed over to the People's Republic of China during 1950, in accordance with the Sino-Soviet Treaty of Friendship of 14 February 1950:(8)

#### In Peiping

The former military cantonment, consisting of 18 dwellings, secondary installations, and warehouses.

### In Dairen

Port installations and facilities, plus a shippard for the construction of wooden boats.

"Dal'dok" ship-building and ship-repairing works l oil refinery 1 machine shop l electromechanical plant 1 cement works l electric lamp factory 2 glassworks 1 lac paint-manufacturing plant 1 cannery 1 butter-pressing plant 1 butter hydrogenation plant 2 butter extract factories l chamotte-insulator plant l stone-crushing works l rope-manufacturing plant l tin pot manufacturing plant 1 paper bag processing plant l motor depot with an available supply of machines and workshops 6 salt refineries 1 fish and food combine 4 refrigeration plants 1 machine repair shop 1 carpenter shop 1 boat repair shop 1 sewing shop 2 clectric power stations 8 items (ob" yekt) of electricity and water supply, including the central electromechanical laboratory 9 cultural institutions: 1 educational institution 3 movie theaters

l social club 206 dwellings

22 warehouses

5 dormitories for employees

2 theatrical buildings 1 home for Soviet sailors 1 rest home for workers

1 department store

1 section of land with an area of about 25 hectares

- 3 -

SECRET

SECRET

Ç	Ľ	ſ	ĸ	FT	
Ð	C	U	N		

SECRET

50X1-HUM

# In the rest of Manchuria

1 cement works l sugar refinery 7 milling and refining factories 1 soap-manufacturing plant 1 bottling plant 2 alcohol-processing plants 5 breweries 3 sawmills l paper factory l paper bag manufacturing plant l sausage factorv 1 tobacco-processing plant 2 printing and lithographic establishments 1 motor depot 5 machine and auto repair shops 1 bakery l refrigeration plant ll movie theaters l movie studio 157 dwellings 19 commercial buildings 33 warehouses

#### SOURCES

- 1. Shanghai, Novaya Zhizm', No 3516, 8 Jan 51 2. Moscow, V Pomoshch' Aktivitu, No 24, 24 Dec 50 Moscow, v Pomosnen Aktivitu, No 24, 24 Dec Shanghai, Novaya Zhizn', No 3540, 2 Feb 51 Ibid., No 3198, 20 Dec 50 Ibid., No 3515, 7 Jan 51 Ibid., No 3492, 14 Dec 50 Moscow, Pravda, No 34, 10 Feb 51

23 sections of land

3 hotels

- Shanghai, Novaya Zhizn', No 3527, 19 Jan 51

- E N D -

SECRET